



European
Commission

REPLIES OF THE EUROPEAN COMMISSION TO THE EUROPEAN COURT OF AUDITORS' SPECIAL REPORT

EU Artificial intelligence ambition

Stronger governance and increased, more focused investment essential going forward

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This document presents the replies of the European Commission to observations of a Special Report of the European Court of Auditors, in line with Article 259 of the [Financial Regulation](#) and to be published together with the Special Report.

I. THE COMMISSION REPLIES IN BRIEF

The Commission welcomes this Special Report by the European Court of Auditors (ECA) on the Artificial Intelligence (AI) policy, focusing on the Coordinated Plan on AI. The report comes at a relevant time as AI experienced technological breakthroughs that fueled excitement and optimism about the potential of AI to address complex challenges and revolutionize industries and the economy as a whole. Thus, the development of a European AI ecosystem of excellence and the increase of trust in AI technologies have become one of the Commission's main political priorities.

In her 2023 State of the Union speech, at the beginning of the Generative AI revolution, President von der Leyen emphasized the importance of rising to the moment and leveraging successful investment in supercomputing capacities. In January 2024, the Commission adopted an **AI Startups and Innovation Package** which will provide an additional public and private investment of around EUR 4 billion to the AI ecosystem of excellence. It builds on the federated, secure and hyper-connected supercomputers established in the context of the EuroHPC Joint Undertaking. Three of the eight EU supercomputers are currently among the top 10 supercomputers in the world.

The initiative follows the EU's **AI Act**, the first-ever comprehensive legal framework on Artificial Intelligence worldwide, which will support the development, deployment, use and take-up of trustworthy AI in the EU. The **European AI Office**, established in February 2024, will play a central role not only in ensuring that the Act is fully enforced with the technical competence needed but also in supporting AI-powered innovation throughout the EU economy. It will considerably reinforce the development and implementation of the AI policy in the European Union.

The 2018 Coordinated Plan on AI paved the way for the establishment of the AI ecosystem in Europe, providing a strategic framework for national AI strategies. The Commission and Member States agreed to boost excellence in AI by joining forces on policy and investments. The 2021 review of the Coordinated Plan on AI outlines a vision to accelerate, act, and align priorities with the European and global AI landscape and bring AI strategy into action.

Since 2021, the Commission has established various infrastructures for AI innovation that are fully operational as of March 2024 and will soon materialize their full benefits on the EU AI ecosystem. European Digital Innovation Hubs (EDIHs) provide support to businesses and organisations in their digital transformation, offering access to technological expertise. Testing and Experimentation Facilities (TEFs) enable businesses and organisations to test and experiment with AI technologies before they enter the market. The AI on-demand platform (AIOD) as of January 2024 serves as a digital infrastructure providing access to artificial intelligence tools and resources, allowing users to easily deploy and utilise AI technologies.

The AI, Data and Robotics Association (ADRA) Public Private Partnership (PPP) has also proven to be instrumental in structuring and strengthening the EU support to AI Research and Innovation (R&I). During the 2021-2022 period, the Commission successfully allocated over EUR 3 billion in EU funding for AI research and development under Horizon Europe and the Digital Europe Programme. As AI is a cross-sectional technology, all scientific fields and innovation domains (and all research policy areas) stand to benefit from AI applications, from basic research to startups, so the support would be spread throughout Horizon Europe Work Programmes. The Commission will continue to provide and further enhance the tools and instruments to support the exploitation and dissemination of AI R&I results.

Furthermore, the Commission has been mobilizing other instruments to support AI innovation, such as the European Innovation Council (EIC) that provides grants and equity support to high risk cutting edge research and deeptech, market, creating high-risk innovative startups;. In addition, the InnovFin Artificial Intelligence and Blockchain pilot and its successor under InvestEU, managed by the EIF, provide venture capital financing for highly innovative AI companies in their early stages or during the scaling up phase.

II. COMMISSION REPLIES TO MAIN OBSERVATIONS OF THE ECA

1. The EU framework for coordinating and regulating EU investment in AI is a work in progress

The 2018 Coordinated Plan provided a strategic framework for promoting the adoption of national AI strategies by the Member States. It was developed together with the Member States, ensuring the characteristics and needs of national AI ecosystems were taken into account. It is evident that it succeeded by achieving the adoption of 23 national AI strategies even if for some Member States with delay. AI became an early priority, leading to better organisation of AI activities within Member States. Maximising the impact of investments at EU and national levels was another key objective of the Plan. Furthermore, it encouraged synergies and cooperation across the EU, as well as the exchange of best practices, with the ambition to ensure that the EU as a whole can compete globally.

The 2021 Coordinated Plan was focusing on three main objectives. It aimed at accelerating investments in AI technologies, to act on national AI strategies and programmes by implementing them fully and in a timely manner and to align European and national AI policies to remove fragmentation and address global challenges.

The Commission followed the objective to identify and capitalize on synergies through its initiatives to bolster the EU's AI ecosystem, ensuring that it is stronger than the sum of individual Member States' AI ecosystems. The Commission seeks to leverage and support complementary strengths that together contribute to an efficient AI ecosystem. It focuses on the pooling of resources because size is becoming an increasingly important factor in the field of AI, be it in the context of computing power, data or capital. This approach necessitates shared priorities and objectives between Member States and the Commission, without duplicating investments across the Member States (ECA observation 37). To achieve this, the Commission needs to take stock of the AI related activities in Member States.

Therefore, in 2023 the Commission started to develop a new monitoring framework to track the implementation progress of national AI strategies, assess the public and private sector's investments in AI and to acquire information about the uptake of AI in the EU (observations 29, 30, 32, 59). To achieve this, the Commission will closely collaborate with the OECD and draw on the knowledge and network that the OECD built up over the years. The close cooperation with the OECD should reduce the administrative burden for the Member States and improve the monitoring. In this context it should be mentioned that from the beginning on, Joint Research Center's (JRC) AI Watch was monitoring the implementation of the Coordinated Plan, in particular on the adoption of national AI strategies. The new monitoring scheme will build on these activities.

Moreover, the Commission set up an Expert Group on AI in 2022 which facilitates the exchange and coordination with Member States. (observation 34). It is also collaborating with the ADRA PPP. The results that are drawn from the new monitoring scheme and the Expert Group meetings are the basis for further coordination efforts. The AI Office has been established in February 2024 within the Commission. The Commission will provide the necessary resources and technical competence to take a more active approach and intensify coordination adding to the existing governance tools (described in observation 33). The AI Office will further reinforce the existing cooperation with stakeholders, including ADRA, and international partners, and be the center of a strong European governance setup on AI.

Regarding the regulatory landscape of AI, it was broadly acknowledged by stakeholders that the development and negotiation process of the AI Act has been efficient, especially given the complexity of the legislation, which shows there was a strong political will across the co-legislators to agree on an ambitious yet proportionate regulatory framework on AI, in line with the European Commission's proposal (observation 51). The collaborative efforts of all stakeholders have resulted in a swift progression to the final stages, which now materialised in a consensus on the text and an adoption within close reach. This accomplishment represents a globally substantial advancement in the context of artificial intelligence regulation.

The AI Act, complemented by the revision of the Product Liability Directive covering artificial intelligence, will boost AI uptake, investment and innovation across the EU by providing businesses with legal certainty and by fostering trust in the technology. It will also create an opportunity for EU companies to stand out in international competition for the most secure, transparent and trustworthy AI system.

2. The EU envisaged enablers for AI innovation

Building up and maintaining a thriving ecosystem of excellence as envisaged by the White Paper on AI¹ and the Coordinated Plans on AI is not happening overnight. It is a process that takes time and effort and is proceeding in several incremental steps. While it may seem that these efforts have not yet resulted in visible progress, there are significant results that already materialised or will do so in the near future. The latest functionalities of the AI on Demand Platform allow the platform to make available over 193.510 AI assets to AI researchers and other users. This shows that such a platform is not built in one step, but is offering incrementally more and more services and becomes more attractive for its users.

ADRA is growing in members as well as in activities and impact over time. It started during the COVID pandemic, where physical meetings were limited, and has grown in less than 3 years to over 133 members including big industry players and world class universities and Research and Technology Organisations (RTOs). It is engaged in relevant task forces (e.g. on generative AI, and generative AI enabled robotics), organises and coordinates stakeholder engagement sessions - roundtables to discuss policies and technical requirements where technical experts from outside the membership are invited to participate - and is committed to collaborate with national PPPs and bodies. ADRA has engaged in strategic partnerships such as with EIT Digital, in November 2023, underscoring the organisation's commitment to policy engagement and collaborative events (observations **88-90**).

Building a thriving ecosystem is a complex process that requires careful planning, collaboration and coordination among the various stakeholders, in order to realise in the long-term the full potential benefits for the European AI ecosystem. The different elements of the AI ecosystem such as the TEFs, EDIHs, AI on Demand Platform, data spaces and AI factories are currently in different phases of implementation and will therefore demonstrate their benefits and impact to the European AI ecosystem over the coming months and years (observation **68**).

With the implementation of the AI Act, the European AI ecosystem of excellence and trust will be complemented. This is why targeted actions on cross-border regulatory sandboxes, compliance support for innovators in the form of an accelerator as well as support to national enforcement bodies with the required expertise and infrastructure are being implemented. Importantly, the AI Startups and Innovation Package presented on 24 January 2024 represents the continued commitment to AI and in particular to the development of generative AI. This package will generate an investment close to EUR 4 billion in generative AI until the end of this Multiannual Financial Framework (MFF) in 2027, including:

- Funding for "AI Factories": through the EuroHPC JU, the Commission and Member States will invest a total amount of EUR 2.1 billion in acquiring new or upgrading existing EuroHPC supercomputers with AI capabilities, the creation of supercomputing services in AI and developing AI-oriented microprocessors and skills support.
- Financial support for startup incubation and scale-up activities of EUR 100 million via InvestEU that would leverage an additional investment of EUR 1 billion.
- Funding for GenAI4EU: Horizon Europe and the Digital Europe programmes will support the development of novel use cases and emerging applications in several industrial and societal sectors for an estimated amount of EUR 500 million by 2027.
- around EUR 100 million of investment (from Member States with the financial support of the Commission) in two related European Digital Infrastructure Consortia (EDIC) one with a focus on language technologies and the other on building local digital twins.

The European Innovation Council (observations **62-64** and conclusion **105**)

The European Innovation Council (EIC) was established as a fully-fledged Horizon Europe instrument in 2021 supporting all types of deeptech market creating research and innovation.

ECA reported in its observations 62-64 that the equity operations financed by the EIC Fund were limited in numbers and

¹ https://commission.europa.eu/system/files/2020-02/commission-white-paper-artificial-intelligence-feb2020_en.pdf

amounts invested. Looking at the equity investments disbursed by the end of 2022, ECA concluded that EIC did not make significant contribution to enriching the AI ecosystem.

The Commission notes that EIC Fund had a challenging start (primarily due to the breakthrough innovative nature of this completely new instrument) which led to low disbursement levels in 2022. However, since its restructuring in September 2022, the investments have been accelerated and the Fund has approved as of end 2023 over EUR 1 billion of investments in deeptech companies, with significant increase of support for AI deeptech companies.

Moreover, EIC should not be viewed as a capital, but as a blended finance support instrument, where grants and equity investments are intrinsically interlinked. During its pilot operations (2019-2020) the EIC committed over EUR 105 million in grants and equity to AI based startups. The capital support increased significantly in 2021-2023, with over EUR 440 million committed in grants and proposed investments (equity) to companies developing or deploying AI in various application areas. In addition to these investments, EUR 50 million have been budgeted in 2024 to support AI startups developing Human Centric AI made in Europe (through dedicated EIC Accelerator challenge in EIC – Horizon Europe Work Programme 2024). Furthermore, for every EUR 1 that EIC has invested, it has on average a leverage of EUR 3.5 of private co-investments. Therefore, the Commission considers that the EIC is proving to be attractive to AI innovators and that the contribution of the EIC to the European AI landscape is significant.

The conclusion made in paragraph 105 does not take into consideration the overall EIC support committed through grants and the investments made in 2023. **The InnovFin Artificial Intelligence and Blockchain pilot** (observation **60** and conclusion **106**)

The InnovFin Artificial Intelligence and Blockchain pilot was designed to provide venture capital financing for highly innovative AI and blockchain companies in their early stages or during the scaling up phase. As a follow-up in the 2021-2027 MFF, the Commission proposed an equity product for strategic digital technologies under InvestEU, targeting Artificial Intelligence as well as other digital technologies of importance. The InvestEU programme offers possibilities for similar funding opportunities as the above mentioned pilot.

In 2024 the Commission decided to focus the equity product on Strategic Digital Technologies on AI, most precisely on generative AI, as reflected in the above-mentioned Communication on boosting startups and innovation in trustworthy artificial intelligence. It did so by topping up the InvestEU guarantee with budget from the Digital Europe Programme to enhance the investment readiness of innovative AI startups.

3. The Commission boosted the funding of R&I in AI, and monitors progress of investments. Communication and dissemination of the results is encouraged

The Commission used all the tools at its disposal to monitor and steer its AI investments and encourage Member States and private investments to complement EU priorities. This includes internal coordination mechanisms under Horizon Europe, using a stakeholder-driven process of identifying AI research priorities and coordination with Member States. Via ADRA and the EU-funded Adra-e coordination and support action, all PPP funded projects are being monitored and coordinated on how they contribute to the overarching goals, but also on how the results are being disseminated and exploited (observations **82-83**).

The tagging of AI in all Horizon Europe projects now incorporates a more fine-grained analysis of the use of AI in every part of the programme (observation **83**). This tagging allows to monitor and have an overview of where the funding is being allocated into AI R&I. The Commission can therefore report that more than EUR 3 billion of EU funding have already been mobilised in the calls for proposals in the period 2021-2022, surpassing the initial plan of investing EUR 1 billion annually as stated in the Coordinated plan, from both Horizon and Digital Europe programmes (observation **75**). With the advent of the new wave of generative AI a drastic change was necessary. The Commission did all the necessary to update all the existing planned calls for proposals to make best use to the latest trends in AI.

Immediately after the adoption of the MFF 2021-2027, the Horizon Europe Regulation was adopted, and the main Horizon Europe work programme 2021-2022 published in June 2021. The availability of funding for AI across many calls within the Horizon 2020 and other programmes is an advantage as AI enables cross sectoral innovation and science

breakthroughs. In addition, Horizon Europe Cluster 4 works on the development of AI, dedicated research and innovation towards developing trustworthy AI technology, human centric, with a view of reinforcing the level of accuracy, robustness, reliability, safety and security, transparency.

The ECA observes that the number of patents for AI projects was lower than the overall Horizon 2020 programme performance (conclusion **108**). Contrary to Horizon 2020, under Horizon Europe, the Commission intends to collect data from beneficiaries on the actual implementation of the plans after the project end. In addition, it is now mandatory to report on non-valorised results through a public platform one year after the grant's end. After the end of the first waves of Horizon Europe grants, starting in 2025-2026, the Commission will assess their results including their potential valorisation. Aiming to further enhance the support to Horizon Europe's results, the existing valorisation platform and services (Horizon Results Platform/Marketplace, and Boosters/Business Acceleration Services) are being strengthened.

The ECA is further observing that the private co-financing in EU AI projects was similar to other Horizon 2020 projects (observation **86**). The private co-financing rate targeted in the EU's AI plans is not only achieved through Horizon Europe and ADRA, but also through the Digital Europe work programme where AI is one of the main strategic objectives and areas of investment, and where private co-financing rate is set in most cases to at least 50%.

The majority of EU funded actions are research and innovation actions as well as coordination and support actions that are 100% funded under Horizon Europe. While the direct co-financing is marginal compared to the indirect industry leverage, Horizon Europe introduced a pilot scheme with a reduced 60% funding rate for Innovation Actions, which most likely will have an impact on the co-financing rates. To clarify, given the maturity level (TRL level) for most AI technologies the most used forms of funding were research and innovation actions funded at 100%.

Co-financing rates however cannot be fully tracked by the co-funding scheme of the various funding programmes. It will be tracked by analysing the bi-annual reporting of ADRA when available. A similar leverage factor as in the two previous PPPs can be expected. Including also private co-investment from large EU companies, the co-investment from the private sector in Europe has also taken up (observations **84-89**).

The ECA further observed programme-related shortcomings in the exploitation and dissemination of AI R&I results. As a rule, under both Horizon 2020 and Horizon Europe, beneficiaries must disseminate their results as soon as possible and do their best efforts to exploit them. CORDIS is a transparency and general dissemination public platform, presenting all the projects (and their main output) financed by the different R&I Framework programmes. Its scope does not include valorisation services to the beneficiaries as this is the role of the Horizon Results Portal. The latter is intended to gradually become a full marketplace platform with an ecosystem of associated services covering the whole of Horizon Europe (including EIC) and some other R&I-minded centrally managed EU programmes. The results featured in the Horizon Results Portal/Marketplace will soon be referenced in CORDIS. The Horizon Results Platform/Marketplace allows to search against thematic criteria (including AI) (observation **95**).

In Horizon Europe, there has been a broader and more systematic activation of the right to object to transfers of ownership and exclusive licensing of EU funded research results to third parties established in a country not associated to Horizon programmes. The right to object has been incorporated into the general annexes of the main Horizon Europe Work programmes to ensure its general applicability. Additionally, other separate work programmes also activate the right to object generally. Thus the EIC and the ERC work programmes will be activating the right to object starting in 2024 (observation **97**).

During 2023, an internal guidance note was issued regarding Intellectual Property Rights (IPR) and the right to object in cases of ownership or exclusive license transfer outlining the legal relevant criteria. When following that guidance and if needed, the RAOs can request dedicated policy related advice among others from Commission services responsible for AI related calls/subject matters when examining concrete cases. Furthermore, an advisory group will periodically evaluate the necessity for additional policy direction based on specific case analyses within the revised process (observation **98**).

III. COMMISSION REPLIES TO THE RECOMMENDATIONS OF THE ECA

Recommendation 1 - Reinforced planning and coordination of AI investment

The Commission should:

- a) **re assess and justify investment targets, based on adequate data, considering international and technological developments and the national investment needs of both the private and the public sectors.**

(Target implementation date: mid-2025)

The Commission **accepts** this recommendation.

The emergence of generative AI leads to a paradigm shift in the investment landscape, which has experienced an unprecedented surge, surpassing even the most ambitious projections. The Commission acknowledges that the investment target defined in 2018 can no longer serve as a benchmark. In times of such technological change, it is challenging to define well-founded and future-proof investment targets. Nevertheless, the Commission is very ambitious to develop a solid investment target for AI, taking into account the current investment landscape and needs of Member States.

In cooperation with the OECD, the Commission plans to conduct a fully-fledged monitoring on the Coordinated Plan and on the amounts of public and private investment in AI in the past years. These numbers will be used as a basis for defining a new investment target.

- b) **strengthen the EU AI plan's coordination tools by agreeing on national AI investment targets in the next revision of the EU AI plan. In doing so, the Commission should use the tools available under the Digital Decade Policy Programme where appropriate.**

(Target implementation date: end of 2024)

The Commission **does not accept** this recommendation.

Member States have a major responsibility of contributing to the overall EU investment targets in AI. This is why the Commission is closely monitoring the AI investment progress on national level. National targets might however lead to increased fragmentation. Member States may also risk duplicating among themselves research and investment efforts in "popular" areas (e.g., generative AI) leading to inefficiencies. This would not be an optimal use of resources, as collaborative efforts could lead to better outcomes through pooled resources.

National investment targets may lead to some (less popular but still important) AI-relevant areas receiving too little attention. EU targets would allow for larger investment pools, incentivising larger collective projects, resulting in economies of scale in various sectors and a better allocation of resources according to comparative advantages. For example, training and operation of powerful AI systems usually require enormous computational resources that are expensive and in turn require extensive infrastructure. By pooling resources and coordinating at EU level, it is possible to achieve greater computational capacity and improved efficiency in the use of such facilities. Initiatives such as the European High Performance Computing Joint Undertaking (EuroHPC JU), which offers a European network of cutting-edge supercomputers, exemplify this approach. Common investment targets also encourage healthy competition, efficiency improvements and better investment strategies, benefitting the entire EU. They also promote alignment of economic goals facilitating coordination in policy making, regulatory frameworks and governance, fostering cooperation and competitiveness across the EU, enhancing investor confidence across the region. Therefore, instead of defining prescriptive national investment targets, the Commission and Member States should further work towards revised EU targets, as done in the Digital Decade Policy Programme.

- c) **to regularly monitor the progress of the EU AI plan.**

(Target implementation date: from 2025)

The Commission **accepts** this recommendation.

The Commission agrees that the monitoring of the progress of the actions of Coordinated Plan is crucial to evaluate the success of the Plan and to adjust the policy approach where it is necessary. As described in the reply to recommendation 1a, the Commission is committed to conduct a monitoring in collaboration with the OECD to amongst others provide a comprehensive assessment of the implementation of the actions of the Coordinated Plan on AI by the EU Member States, through their policies and strategic plans.

Recommendation 2 – Capital support for AI innovators

To enhance the accessibility and scale of EU capital support for AI innovative SMEs established in the EU, the Commission should evaluate the need for a targeted financing scheme within the current programmes.

(Target implementation date: mid-2025)

The Commission **does not accept** this recommendation.

Existing EU programmes, instruments and funding schemes, such as the EIC or the Digital Europe Programme, provide significant direct capital support and support via access to digital infrastructure for AI startups and SMEs. For instance, the EIC provided equity support to AI deep-tech companies for EUR 550 million between 2018-2023. In addition, in 2024, the Commission decided to focus the InvestEU equity product on Strategic Digital Technologies on AI to contribute to the AI investment ecosystem (see above: Commission replies Section II, paragraph 2).

AI policy support is spread throughout multiple EU programmes, whilst respecting the flexibility needed to react to specific and ad-hoc priorities within each funding programme and the EU budget as a whole.

The Commission recognises that further enhancing accessibility and scale of capital support for AI innovative SMEs established in the EU is in line with the political objective of the Commission to stimulate access to capital on the European market, with a view to enabling innovation and keeping excellent startups. Compared to other world-leading financial markets, the EU capital market is less mature and more risk averse and therefore the Commission is currently addressing this issue.

As generative AI companies need substantial amounts of funding without a guarantee that they will succeed on the market, the Commission aims to continue improving investment conditions on the European market for thriving AI ecosystems. A concrete action that has already been taken in response to this issue, is the adoption of the AI Startups and Innovation Package (see Section II. paragraph 2.), which makes the EU a more attractive place for Artificial Intelligence startups by facilitating access to world-class computing power and to data spaces, and by supporting talent. The AI Package also recalls the important role of the European Innovation Council, which already provided significant grants as well as direct and indirect capital support to AI startups and SMEs and will continue to do so, and further strengthens investment through the InvestEU guarantee.

The Commission is creating the right framework conditions for thriving AI ecosystems and implementing the already available EU funding schemes. The Commission does not consider that the evaluation of the need for a targeted financing scheme within the current programmes would be efficient from a budget management perspective as the creation of a targeted financing scheme would reduce flexibility, potentially overlap with other schemes and increase administrative costs.

Therefore, the recommendation cannot be accepted.

Recommendation 3 – Access to AI innovation infrastructure

With a view to facilitating SME access to AI facilities across the EU, the Commission should ensure that EU funded AI innovation infrastructure operates in a coordinated way with a single access point.

(Target implementation date: mid-2026)

The Commission **accepts** this recommendation.

The Commission proposes that the European Digital Innovation Hubs (EDIHs) serve as a single access point for SMEs in Europe. They have a strong regional presence and a strong emphasis on AI expertise with more than 90% of EDIHs declaring AI competences. While already serving as a one-stop-shop for SMEs' digital needs, EDIHs can further foster strong

collaboration with the TEFs, AI Factories, the AI on Demand Platform and other support infrastructures and therefore direct SMEs, startups, and other stakeholders to the right facility, depending on their needs and requirements.

Closer cooperation among EDIHs and TEFs will be addressed through their support actions, and mutual coordination efforts among AI innovation infrastructure will address the differences between various users of these infrastructures, whether they come from different EU Member States and have different level of maturity, researchers, innovators, users, and providers of AI, as well as public administrations, with the objective to ensure that SMEs are directed to the appropriate resources when needed. The Commission also builds on the recently adopted AI Startups and Innovation Package to address the coordination with the GenAI4EU funding initiative which seeks to make AI-powered innovation accessible in the different vertical sectors as well as the AI factories, strategically co-locating data, computing power and skills.

Recommendation 4 - Reinforced monitoring of EU funding for AI research and innovation

To improve the monitoring and reach the critical mass of EU funded AI R&I, and to ensure that investment targets are achieved, the Commission should:

- a) design a framework for tagging financial support for AI development and uptake in the EU, in the planning and implementation phases with consistent criteria applied across all EU spending, building on the tagging procedure launched for Horizon Europe.**

(Target implementation date: end of 2025)

The Commission **does not accept** recommendation 4a).

The Inter-Institutional Agreement, adopted in parallel to the 2021-2027 Multiannual Financial Framework (MFF) regulation, defines the priorities for which the EU budget expenditure should be tracked: climate, biodiversity and gender equality. Tracking the financial support for these priorities is a work-intensive process that relies on the availability of data from the entities implementing the programmes, as well as the availability of appropriate procedures and IT-tools.

Consequently, without the necessary provisions in the programme regulations that guarantee the availability of required data, it is not possible to track expenditure at EU budget level for new priorities. In addition, tracking expenditure for new priorities would increase information requirements and place a greater burden on beneficiaries, Member States, and implementing entities. This would be in contradiction with the Commission's goal of reducing the burden associated with the implementation of the EU budget programmes.

- b) set out AI-specific and measurable performance targets and indicators, and start to regularly monitor performance across the EU budget.**

(Target implementation date: end of 2025)

The Commission **does not accept** recommendation 4b).

The funding to actions supporting the EU AI Research and Innovation ecosystem is mainly provided through the Horizon Europe and Digital Europe programmes.

Each of these programmes includes a comprehensive implementation framework, including indicators allowing to monitor the impact of the supported actions. The Commission suggests relying on these monitoring frameworks. Introducing AI-specific indicators might not be relevant in view of the fast-evolving nature of the related technologies and innovation landscape. Moreover, it would add to the reporting burden imposed on beneficiaries, without clear additional benefits.

The current monitoring framework of Horizon Europe notably allows to collect data concerning scientific publications and patents resulting from the funded actions. In the Regulation of the Digital Europe Programme, three of the fourteen key performance indicators are related to AI measuring co-investment in testing and experimentation facilities for AI, usage

of these facilities and resulting uptake of AI.

In addition, creating indicators for all the programmes in the EU budget, namely those under shared and indirect management, would require updating the relevant legal provisions in the programme regulations, would increase information requirements and place a greater burden on beneficiaries, Member States, and implementing entities. This would be in contradiction with the Commission's goal of reducing the burden associated with the implementation of the EU budget programmes.

Recommendation 5 - Exploitation of research and innovation results for AI

The Commission should strengthen its action to support the exploitation of Horizon Europe R&I results in the AI field in the EU, e.g. by setting up post project monitoring of results, and clarifying the application of the EU framework for transfers or exclusive licensing of results ownership outside the EU.

(Target implementation date: end of 2025)

The Commission **accepts** this recommendation.

The Commission indeed intends to strengthen the support to valorisation (exploitation) of R&I Projects results, notably towards market uptake and value creation, at the global level of Horizon Europe (including on AI related projects) notably by:

- Further developing support and networking services towards results' owners.
- Evolving the Horizon Results Platform towards a fully-fledged marketplace, intended to become a one stop shop for valorisation support for all Horizon Europe projects.
- Introducing a valorisation follow up service,
- Running a post-grant questionnaire, 1 to 4 years after the grant end, to know more about the results valorisation done, ongoing or aborted, and possibly trigger supporting actions.